

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
4260-001-0001	Department of Health Care Services—State Support				
335	California Discount Prescription Drug Program.	0	0	0	
	<p>Governor proposed to implement this program as contained in AB 2911, Statutes of 2006, beginning in 2008-09 after deferring implementation in 2007-08.</p> <p>Assembly adopted proposal.</p> <p>Senate deferred implementation of program until 2009-2010 due to the fiscal crisis. This program is funded with General Fund support of which a portion is transferred to a special fund for expenditure.</p> <p><i>This issue will conform to Item 4260-006-0001, Issue 335.</i></p> <p>(State support is funded using \$2,013,000 payable from Item 4260-001-08040.)</p>				

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
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4260-006-0001 Department of Health Care Services—State Support

335	California Discount Prescription Drug Program.	0	-5,870,000	5,870,000	
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Governor proposed to implement this program as contained in AB 2911, Statutes of 2006, beginning in 2008-09 after deferring implementation in 2007-08.

Assembly adopted proposal.

Senate deferred implementation of this program until 2009-2010 due to the fiscal crisis. This program is funded with General Fund support of which a portion is transferred to a special fund for expenditure.

(Local assistance is in Item 4260-119-0840, Issue 335.)

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
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4260-101-0001 Department of Health Care Services—The Medi-Cal Program, Local Assistance

250	State's Payment for Fresno Community Medical Center.	8,999,0000	0	8,999,000	
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May Revision augmented by \$9 million (GF) for the state to pay back the federal government due to an impermissible "Intergovernmental Transfer" (IGT) made by Fresno County and Fresno Community Medical Center (a private hospital under the Hospital Financing Waiver).

Assembly reduced by \$1,000 to send to Conference.

Senate appropriated \$9 million from the Private Hospital Supplemental Fund, in lieu of General Fund support, and adopted conforming trailer bill language.

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Issue	Description	Assembly	Senate	Difference	Conference Action
286 287	Use of Private Hospital & District Hospital Funds to Offset General Fund Support. Governor reduced by 10 percent the amount paid to Private Hospitals and District Hospitals under the state's Hospital Financing Waiver by adjusting certain disproportionate share hospital payments, including replacement payments which are paid to these hospitals. Assembly adopted this reduction of \$44.2 million (\$22.6 million GF) as technically adjusted. (\$21,600,000 payable from Item 4260-101-0890.) Senate rejected Governor's reduction in order to maintain the state's Hospital Finance Waiver agreement.	0	22,600,000	22,600,000	

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Issue	Description	Assembly	Senate	Difference	Conference Action
263	New Screening and Brief Intervention Program. May Revision augmented by \$1.6 million (\$800,000 General Fund) to reimburse Medi-Cal providers to screen patients in emergency room settings for non-dependent substance abuse and provide intervention services for patients deemed to be at-risk for alcohol or drug dependency. Assembly adopted proposal. (\$800,000 payable from Item 4260-101-0890.) Senate denied proposal since treatment programs are proposed for reduction and no actual cost-benefit was identified for this proposal.	800,000	0	800,000	

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Issue	Description	Assembly	Senate	Difference	Conference Action
310	Children's Eligibility	39,495,000	-25,575,000	65,070,000	
311	Authorization for Medi-Cal. Governor proposed to rescind existing statute that provides annual enrollment for children in Medi-Cal and to instead, institute a Quarterly Status Report process. May Revision reduces by \$79.041 million (\$39.495 million GF) for this purpose. Assembly rejected proposal and maintains annual enrollment for children. (\$39,546,000 payable from Item 4260-101-0890.) Senate rejected proposal and instead, adopted a Semi-Annual process for children. This is the same process as currently used for parents. A reduction of \$51.151 million (\$25.575 million GF) occurs from this action. (\$25,576,000 payable from Item 4260-101-0890.)				

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	Reduction to Medi-Cal County Eligibility Processing by Eliminating Cost-of-Doing-Business. Governor reduced by \$64.6 million (\$32.3 million General Fund) by eliminating funds historically provided to counties as a cost-of-doing-business for administering the Medi-Cal Program. Trailer bill language to enact reduction is proposed. Assembly adopted proposal. Senate adopted reduction and also adopted placeholder trailer bill language to suspend the state's penalty on counties for not meeting certain performance standards when this cost adjustment is not provided.	TBL	TBL	TBL	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
320 321	Medi-Cal Caseload Funding for County Administration. Governor eliminated funds for new caseload growth which is historically allocated to counties based on projected Medi-Cal caseload levels. Trailer bill language to enact reduction is proposed. Funds allocated to counties enable them to hire staff to process new enrollment, do redeterminations and make disenrollments from Medi-Cal. Assembly adopted proposal as adjusted for a reduction of \$41.3 million (\$20.635 million GF). (Reduction of \$20,635,000 from Item 4260-101-0890.) Senate rejected this proposal. (\$20,635,000 payable from Item 4260-101-0890).	0	20,635,000	20,635,000	

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Issue	Description	Assembly	Senate	Difference	Conference Action
314 315 815	Medi-Cal Case Management Services for Child Health and Disability Prevention (CHDP) Program. Governor proposed to reduce by 10 percent, for a corrected reduction of \$1.686 million (\$590,000 GF), the amount provided to county local health jurisdictions for case management services under the CHDP Program. Trailer bill language to enact reduction is proposed. Assembly rejected the proposal, and did not adopt the May Revision fund correction. (\$1,052,000 payable from Item 4260-101-0890.) Senate adopted the proposal, including a technical adjustment at May Revision for a fund correction. (Reduction of \$1,096,000 from Item 4260-101-0890.)	634,000	44,000	590,000	

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Issue	Description	Assembly	Senate	Difference	Conference Action
351	Medi-Cal Pharmacy Pilot Project for HIV/AIDS. May Revision increased by \$1.039 million (GF) to extend pilot project to June 30, 2009 and modified to limit payment of additional \$9.50 dispensing fee to HIV/AIDS drug and drugs used for treatment of opportunistic infections. Assembly maintained existing pilot structure by increasing by \$1.565 million (GF) and extending for another year. Senate denied extension of pilot since it had been extended previously and funding is needed for core programs. No federal reimbursement is available for this pilot.	526,000	-1,039,000	1,565,000	

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Issue	Description	Assembly	Senate	Difference	Conference Action
449	Modify Budget Bill Language for DHCS Transfer Authority. Senate modified existing Budget Bill Language that enables the DHCS to transfer funds between budget line items, including Items 4260-101-0001, 4260-102-0001, 4260-111-0001, 4260-113-0001, and 4260-117-0001. The modification states the following: “The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal affects on the program from which funds are being transferred or reduced.”	0	BBL	BBL	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
901	Partial Restoration of Medi-Cal Fee-For-Service Provider Payments. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid to Medi-Cal Fee-For-Service providers, including physicians, dental services, county outpatient, medical transportation, home health, community outpatient, and other medical services. Assembly restored almost all of the reduction. (\$158,330,000 payable from Item 4260-101-0890.) Senate provided a 5 percent rate restoration.(\$87,055,000 payable from Item 4260-101-0890.)	158,320,000	86,257,000	72,063,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
902	Partial Restoration of Medi-Cal Pharmacy Rate. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid to Medi-Cal Pharmacy providers. Assembly restored by less than 5 percent and adopted placeholder trailer bill language to offset the Average Manufacturers Price (AMP) and Upper Payment Level (UPL) savings against the pharmacy rate reduction if the AMP and UPL are implemented. (\$68,849,000 payable from Item 4260-101-0890.) Senate provided a 5 percent rate restoration. (\$68,849,000 payable from Item 4260-101-0890.)	70,070,000	76,347,000	6,277,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
903	Partial Restoration of Medi-Cal Long-Term Care Rate. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid to Medi-Cal Long-Term Care providers, including Level A nursing homes, Distinct Part Nursing Homes, Distinct Part Subacute, Distinct Part Pediatric Subacute, and Adult Day Health Care. Assembly restored by less than 5 percent (\$22,590,000 payable from Item 4260-101-0890.) Senate provided a 5 percent rate restoration. (\$24,617,000 payable from Item 4260-101-0890.)	22,590,000	24,617,000	2,027,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
909	Partial Restoration of Medi-Cal Pediatric Subacute Provider Payment.	0	884,000	884,000	
	Governor proposed a 10 percent reduction to this provider category and AB3X 5 assumed this reduction but language is ambiguous.				
	Assembly took no action.				
	Senate adopted a five percent restoration. (\$884,000 payable from Item 4260-101-0890.)				

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
904	Partial Restoration of Medi-Cal Managed Care Rate. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid to health plans participating in the Medi-Cal Managed Care Program. This rate reduction is actuarially based on the Fee-For-Service equivalent with related adjustments Assembly restored by less than 5 percent or the actuarial equivalent of their Fee-For-Service rate restoration actions. (\$92,570,000 payable from Item 4260-101-0890.) Senate restored by 5 percent which equates to the same level as all other rate restoration actions. (\$99,248,000 payable from Item 4260-101-0890.)	92,570,000	99,248,000	6,678,000	

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Issue	Description	Assembly	Senate	Difference	Conference Action
905	Partial Restoration of Medi-Cal Breast and Cervical Cancer Treatment Program. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid under the state-only portion of this program. Assembly restored the entire reduction. Senate restored by 5 percent.	1,168,000	584,000	584,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
910	Partial Restoration of Medi-Cal Non-Contract Hospital Rate. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid for Non-Contract Hospitals (i.e., those that do not have a contract with the state). Assembly maintains the 10 percent reduction. Senate restored by 5 percent. (\$13,547,000 payable from Item 4260-101-0890.)	0	13,547,000	13,547,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	<p>Administration's Trailer Bill</p> <p>Language: Limit "Non-Contract" Hospital Rates.</p> <p>May Revision proposed trailer bill to change statute to reimburse Non-Contract Hospitals, except Rural Hospitals, at the lower of:</p> <p>(1) the interim per diem rate minus 10 percent as in effect on July 1, 2008; (2) the "regional" average per diem CMAC contract rate for "non-tertiary" hospitals minus 5 percent; or (3) a statewide rate for "tertiary" hospitals minus 5 percent. A reduction of \$22.5 million (\$11.5 million GF) was assumed.</p> <p>Assembly adopted savings and placeholder language to send to Conference.</p> <p>Senate adopted savings and placeholder language to send to Conference.</p>	TBL	TBL	TBL	

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Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	Administration's Trailer Bill Language: Reduce Certain Hospital Rates for Medi-Cal Managed Care Plans May Revision proposed trailer bill that limits the amount Medi-Cal Managed Care health plans must pay hospitals that refuse to contract with them. DHCS says language is to serve three purposes: (1) it provides an incentive for hospitals to enter into contracts with Medi-Cal Managed Care plans; (2) it will reduce costs that health plans pay to Non-Contract Hospitals; and (3) the limitations imposed for emergency inpatient services fully comply with federal law ("Rogers Amendment"). Assembly adopted placeholder language to send to Conference. Senate adopted placeholder language to send to Conference.	TBL	TBL	TBL	

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Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	Medi-Cal Managed Care— Two Language Issues. Senate adopted two pieces of trailer bill language for Medi-Cal Managed Care. First, language was adopted to require the DHCS to determine the reimbursement rates for Geographic Managed Care plans in Medi-Cal, in lieu of using the CA Medical Assistance Commission's (CMAC) process. Second, language was adopted to require the DHCS to provide health plans participating in Medi-Cal Managed Care with a preliminary rate by no later than June 30th of each year.		TBL	TBL	

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Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	Administration's Trailer Bill Language: Contract for Blood Factor Product. May Revision proposed trailer bill to enter into exclusive or nonexclusive contracts on a bid or negotiated basis to contract with providers licensed to distribute specialty pharmaceuticals, including suppliers that provide blood, blood derivatives, or blood factor products. Assembly adopted placeholder trailer bill language. Senate adopted placeholder language that would (1) contain a three-year sunset provision; (2) delete reference to exclusive contracts; (3) provide for consumer quality of care; (4) ensure a network of pharmacies; and (5) provide for some product choice.	TBL	TBL	TBL	

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Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	Administration's Trailer Bill Language: Supplemental Rebates for Blood Factor Products. May Revision proposed trailer bill to require manufacturers of FDA-approved blood factors to pay a supplemental rebate for products dispensed to individuals in the Medi-Cal Program and other DHCS administered programs. A reduction of \$552,000 (\$261,000 GF) was assumed. Assembly adopted placeholder trailer bill language and savings achieved from rebates . Senate adopted placeholder trailer bill language and savings achieved from rebates. Intent was to send to Conference Committee to clarify language.	TBL	TBL	TBL	

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Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	<p>Administration's Trailer Bill</p> <p>Language: Program and Provider Information.</p> <p>May Revision proposed trailer bill to provide DHCS with broad discretion as to how it chooses to notify providers and other constituents regarding implementing changes to the Medi-Cal Program and all other programs administered by the DHCS. They propose savings of \$2 million (\$1 million GF) if adopted.</p> <p>Assembly adopted language.</p> <p>Senate rejected trailer bill and its broad intent to avoid public notice requirements and potentially the regulatory process. No fiscal adjustment was recognized.</p>	-1,000,000	0 TBL	1,000,000 TBL	

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Issue	Description	Assembly	Senate	Difference	Conference Action
TBL	<p>AB 1629 Nursing Homes and Various Adjustments.</p> <p>May Revision proposed adjustments to reimbursements paid to nursing homes as contained in AB 1629, Statutes of 2004, and proposed trailer bill to extend the program.</p> <p>Both houses adopted the May Revision fiscal changes but had differences in trailer bill.</p> <p>Assembly modified language to extend AB 1629 rate methodology for one-year.</p> <p>Senate modified language by (1) agreeing with a two-year extension; (2) requiring the DHCS to expedite its process and provide information to the Legislature by February 1, 2009; and (3) requiring the DPH's report on outcomes to include three years of data, not two, including 2007-08 data.</p>	TBL	TBL	TBL	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
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4260-102-0001 Department of Health Care Services—The Medi-Cal Program, Local Assistance

449	Modify Budget Bill Language for DHCS Transfer Authority.	0	BBL	BBL	
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Senate modified existing Budget Bill Language that enables the DHCS to transfer funds between budget line items, including Items 4260-101-0001, 4260-102-0001, 4260-111-0001, 4260-113-0001, and 4260-117-0001. The modification states the following: “The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal affects on the program from which funds are being transferred or reduced.”

This issue conforms to Item 4260-101-0001, Issue 449.

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
4260-111-0001 Department of Health Care Services—Family Health Programs, Local Assistance					
902	Medical Therapy Services in the CA Children’s Services Program.	-3,074,000	-2,537,000	537,000	
	May Revision reduced by 10 percent, or \$3.074 million (GF), the amount provided for Medical Therapy Services within the CA Children’s Services Program.				
	Assembly adopted proposal.				
	Senate modified by restoring half of the reduction for an adjustment of \$1.537 million (\$537,000 General Fund and \$1 million federal Maternal and Child Health (MCH) Funds). The federal MCH Funds are appropriated from an unallocated amount as transferred from the Department of Public Health. (\$1,000,000 payable from Item 4260-601-0995.)				

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
900	Restoration of Rates Paid Under California Children's Services (CCS) Program. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid under the CCS Program. Assembly restored most of the reduction for a total increase of \$13.861 million (\$4.931 million GF). (\$8,930,000 payable from Item 4260-111-890.) Senate restored by 5 percent for a total increase of \$7.547 million (\$2.685 million GF). (\$4,862,000 payable from Item 4260-111-0890.)	4,931,000	2,685,000	2,246,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
348	Clinic Programs Reduction. Governor reduced by 10 percent, or \$3.545 million (GF), all clinic programs, including Expanded Access to Primary Care (EAPC), Seasonal Migrant Worker, American Indian Health, Rural Health and Grants-In-Aid. Assembly adopted reduction. Senate eliminated GF in the Grants-In-Aid for savings of \$391,000 and restored the other programs.	0	3,154,000	3,154,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
449	Modify Budget Bill Language for DHCS Transfer Authority. Senate modified existing Budget Bill Language that enables the DHCS to transfer funds between budget line items, including Items 4260-101-0001, 4260-102-0001, 4260-111-0001, 4260-113-0001, and 4260-117-0001. The modification states the following: “The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal affects on the program from which funds are being transferred or reduced.” <i>(This issue conforms to Item 4260-101-0001, Issue 449.)</i>	0	BBL	BBL	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
908	Restoration of Rates Paid Under Genetically Handicapped Persons Program (GHPP).	4,352,000	2,317,000	2,035,000	
	Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid under the GHPP.				
	Assembly restored most of the reduction for a total increase of \$4.352 million (GF).				
	Senate restored by 5 percent for a total increase of \$2.317 million (GF).				

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
909	Restoration of Rates Paid Under Child Health and Disability Prevention (CHDP) Program. Governor proposed and signed AB3X 5 which reduced by 10 percent the reimbursement rates paid under the GHPP. Assembly restored most of the reduction for a total increase of \$184,000 (GF). Senate restored by 5 percent for a total increase of \$100,000 (GF).	184,000	100,000	84,000	

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
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4260-113-0001 Department of Health Care Services—The Medi-Cal Program, Local Assistance

449	Modify Budget Bill Language for DHCS Transfer Authority.	0	BBL	BBL	
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Senate modified existing Budget Bill Language that enables the DHCS to transfer funds between budget line items, including Items 4260-101-0001, 4260-102-0001, 4260-111-0001, 4260-113-0001, and 4260-117-0001. The modification states the following: “The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal affects on the program from which funds are being transferred or reduced.”

This issue conforms to Item 4260-101-0001, Issue 449.

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
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4260-117-0001 Department of Health Care Services-- The Medi-Cal Program, Local Assistance

449	Modify Budget Bill Language for DHCS Transfer Authority.	0	BBL	BBL	
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Senate modified existing Budget Bill Language that enables the DHCS to transfer funds between budget line items, including Items 4260-101-0001, 4260-102-0001, 4260-111-0001, 4260-113-0001, and 4260-117-0001. The modification states the following: “The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal affects on the program from which funds are being transferred or reduced.”

This issue conforms to Item 4260-101-0001, Issue 449.

4260 Department of Health Care Services

Issue	Description	Assembly	Senate	Difference	Conference Action
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4260-119-8040 Department of Health Care Services— CA Discount Prescription Drug Program

335	California Discount Prescription Drug Program.	0	-3,857,000	3,857,000	
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Governor proposed to implement this program as contained in AB 2911, Statutes of 2006, beginning in 2008-09 after deferring implementation in 2007-08.

Assembly adopted this proposal.

Senate deferred implementation of program until 2009-2010 due to the fiscal crisis. This program is funded with General Fund support as contained in Item 4260-006-0001 of which a portion is transferred to this special fund for expenditure.

This issue conforms to Item 4260-006-0001, Issue 335.